



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
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OFFICE OF  
SOLID WASTE AND EMERGENCY  
RESPONSE

Directive No. 9275.1-12-D

**MEMORANDUM**

**SUBJECT:** Superfund Cost Management Measures

**FROM:** Michael B. Cook, Director  
Office of Superfund Remediation and Technology Innovation

**TO:** Superfund National Policy Managers, Regions 1 - 10

**Background**

Over the past several years, demands on the Superfund budget have increased to the point where not all projects ready for construction in a given year can be funded. In response, the managers of the Superfund remedial program have focused their efforts on several cost management measures with a goal of placing more funding toward construction projects. This memorandum presents these measures along with associated activities and status.

**Purpose**

The purpose of this memo is to provide a report on the status of the Superfund cost management measures. There are 17 recommended Superfund cost management measures, representing 45 separate activities. These cost management measures are intended to provide greater program review to ensure that the Superfund program is positioned to address new ways of conducting site management as effectively and efficiently as possible and also build upon previous Superfund efforts to improve program operations. We expect all of these cost management initiatives to aid in managing costs for the Superfund Program. Many of these 17 recommended measures are already being implemented in the program. The current status of the 45 activities is that 22 are completed, 14 are due to be completed in 2005 or 2006, and 9 are ongoing beyond 2006. The name and product list of these recommended measures is contained in the attachment to this memorandum. My office will update the progress of these recommended measures on a semi-annual basis beginning in October, 2005. *These recommended measures are focused on program management and do not change Superfund response policies.*

**Development of Cost Measures**

In the early 1990s, the Superfund program initiated a series of Administrative Reforms to

improve the overall workability of the program. The Superfund Administrative Reforms consisted of various initiatives and pilots designed to make the Superfund program work faster, fairer, and more efficiently. [see <http://www.epa.gov/superfund/programs/reforms/types/cleanup.htm>] Many of the activities under the Superfund Administrative Reforms have, over time, been incorporated into the daily operations of the program. These 17 recommended cost management measures continue to build on those reforms, but specifically focus on activities directly related to cost and program management. These recommended measures should help provide continuous overall improvement to the Superfund program.

Today, the Superfund program is currently facing a large backlog of sites ready for remedy construction, however, the current level of appropriated funding does not permit the Superfund program to start long-term construction at every project that is ready to begin construction. In addition, sites posing significant threats continue to be listed on the National Priorities List (NPL) and the program continues to conduct Remedial Investigations/Feasibility Studies (RI/FS) at sites currently on the NPL. Therefore, available program resources need to be allocated across all functions, not just construction.

Recently, Congress directed Resources for the Future (RFF) to study the projected future costs of Superfund for fiscal years 2000 - 2009. The report titled, "Superfund's Future: What Will It Cost?", was released in July, 2001. The study looked at all major elements of the Superfund program, including the removal program (which focuses on emergency and short-term cleanups); the remedial program (which focuses on long-term cleanup); site assessment activities (prior to inclusion on the NPL); program staff, management, and support costs; program administration; and Superfund-related work of other programs and agencies. The report, which contained several recommendations intended to improve the program, was supported by EPA's Office of the Administrator.

In 2001, the Deputy Administrator directed the development of an action plan to address the recommendations in the RFF Report. The plan resulted in the formation, in July 2002, of a Superfund Subcommittee under the auspices of the Agency's National Advisory Council for Environmental Policy and Technology (NACEPT). Results from the NACEPT process were released in April 2004, also in the form of recommendations.

In 2003, to support the work of NACEPT, the Acting Deputy Administrator requested that an EPA workgroup be established to conduct an internal review of the Superfund program. The objective of this review was to identify opportunities for program efficiencies enabling the Agency to complete more cleanups with current resources. The 120-day study was issued in April 2004. Many of the 17 recommended cost management measures are directly related to the recommendations in that study (e.g., the attachment to this memorandum lists each measure and identifies the 120-day study recommendations that apply to that particular measure).

Finally, this cost management effort was begun in August, 2003. Superfund Regional managers provided recommendations for improved cost management measures. These were discussed by Regional managers in the first quarter of FY04. The current 17 recommended

measures are the result of those discussions. These measures fall within the following general areas:

- People responsible for contamination should pay for or conduct the cleanup work;
- Getting the most out of Superfund money;
- Ensuring the best cleanup for the money;
- Getting the most out of cleanup decisions/remedies; and
- Utilizing technology for outstanding site management.

The 17 recommended measures include several projects that are carry-overs or enhancements to the Administrative Reforms. For example, the National Remedy Review Board (item 4.2) continues to provide cost savings and promotes greater consistency in decision making. This new initiative expands the scope of the original initiative lowering the threshold for Board review and encourages Regions to seek Board review for their preferred remedies at other sites. Similarly, the Remedy Updates Administrative Reform (item 4.1) is being re-emphasized to ensure that Regions take a hard look at remedies, particularly in design, to make sure that they are the best decisions given the current site conditions. Headquarters will now expand the tracking of the remedy update reform to include non-technical and non-scientific remedy changes (e.g., changes in Applicable and Relevant and Appropriate Requirements (ARARs) or land use). The Remedy Updates work also ties into a new project looking at costs during remedial design, titled "Third Party Review of Fund Lead Remedial Design." (item 3.3)

The 17 recommended measures also recognize and encourage additional efforts in areas that have been explored by all Regions. A draft list of measures was sent to all Regions for review and comment in May, 2004. Regional replies included the following ideas: pursuit of cost shares for non-time critical removals, ground water remedy performance optimization, and improved sampling and analysis data management. Each of these ideas has been included to varying degrees. The 17 recommended measures highlight these important ideas and encourage their continued use to the extent possible.

### **Conclusion/Implementation**

The purpose of the 17 recommended cost management measures is to ensure greater cost and program management efficiencies and to make the best use of the Superfund dollars to achieve the maximum impact. Some of the measures are expected to achieve cost savings, while others are designed to ensure that dollars are better directed to the work that needs to be done. OSRTI staff will provide updates of the recommended cost management measures every 6 months beginning in October, 2005. New measures can be added at any time and they will be included in the first semi-annual report after their proposal.

### **For Additional Information**

Copies of this document will be available on our web site (<http://www.epa.gov/superfund/programs/reforms/docs.htm>.) General questions about this topic should be referred to the Call Center at 1-800-424-9346. The subject matter expert for this

document is Matthew Charsky of OSRTI whose phone number is (703-603-8777) and his email address is charsky.matthew@epa.gov.

Attachment

**cc:** OSRTI Managers  
Debbie Dietrich, OEM  
Jim Woolford, FFRRO  
Matt Hale, OSW  
Linda Garczynski, OBCR  
Susan Bromm, OSRE  
Dave Kling, FFEO  
Scott Sherman, OGC  
Earl Salo, OGC  
Charles Openchowski, OGC  
Ed Chu, Land Revitalization Staff, OSWER  
Eric Steinhaus, Superfund Lead Region Coordinator, US EPA Region 8  
NARPM Co-Chairs  
Joanna Gibson, OSRTI Documents Coordinator